

RECORDATION NO. 27007 FILED

JUN 11 '07 -4 00 PM

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.

SUITE 301
WASHINGTON, D.C.

20036

(202) 393-2266

FAX (202) 393-2156

E-MAIL alvordlaw@aol.com

SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A LESTER

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

June 11, 2007

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Net Railcar Lease, dated as of November 20, 2007, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: North America Rail Leasing #2 LLC
(d/b/a Babcock & Brown Rail Funding LLC)
1 Dag Hammaraskjold Plaza
885 Second Avenue, 49th Floor
New York, NY 10017

Lessee: NRG Power Marketing Inc.
211 Carnegie Center
Princeton, NJ 08540

Mr. Vernon A. Williams
June 11, 2007
Page 2

A description of the railroad equipment covered by the enclosed document is:

278 railcars: NRGX 1000 – NRGX 1277 (previously marked PSTX 5001 – PSTX 5030; PSTX 8001 – PSTX 8250 - excluding PSTX 8039 and PSTX 8122).

A short summary of the document to appear in the index is:

Memorandum of Net Railcar Lease.

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alvord', with a long horizontal stroke extending to the right.

Robert W. Alvord

RWA/sem
Enclosures

JUN 11 '07 -4 0 0 PM

MEMORANDUM OF NET RAILCAR LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF NET RAILCAR LEASE dated as of November 20, 2006, to that certain Master Net Railcar Lease effective as of November 20, 2006 between Babcock & Brown Rail Leasing Co. and NRG POWER MARKETING Inc., a Delaware corporation (the "Lessee") (the "Master Lease"), pursuant to which Schedule No. 01 has been executed, is made by NORTH AMERICA RAIL LEASING #2 LLC (d/b/a Babcock & Brown Rail Leasing), a Delaware limited liability company (the "Lessor") and the Lessee (and together with the Lessee, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, Babcock & Brown Rail Leasing Co. and the Lessee have entered into that certain Master Net Railcar Lease effective as of November 20, 2006 and the Parties have entered into that certain Schedule No. 01 thereto effective as of the same date (hereinafter as the same may from time to time be amended, modified or supplemented, the "Agreement"), covering the equipment listed on Exhibit A hereto (the "Cars");

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Agreement, and the respective interests therein of the Parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

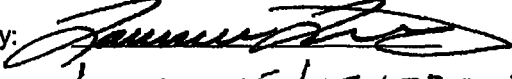
NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Cars to the Lessee in accordance with the terms and conditions of the Agreement, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

This Memorandum of Net Railcar Lease may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

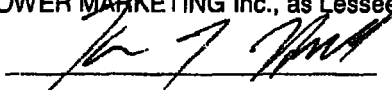
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has caused this Memorandum of Net Railcar Lease to be executed by a duly authorized officer as of the day and year set forth below.

NORTH AMERICA RAIL LEASING #2 LLC
(d/b/a Babcock & Brown Rail Leasing), as Lessor

By: 
Name: LAURENCE LITTLEFIELD
Title: VICE PRESIDENT
Date: 3/21/07

NRG POWER MARKETING Inc., as Lessee

By: 
Name: Kevin T. Howell
Title: Chairman, President and CEO
NRG Power Marketing Inc.
Date: 3/20/2007

STATE OF New York)
)
) SS:
)
 COUNTY OF New York)

On 3/21, 2007, before me, Indra Bedasie, Notary Public, personally appeared Lawrence Littlefield personally known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Indra Bedasie

INDRABEDASIE
 Notary Public, State of New York
 No. 01BE6014602
 Qualified in Queens County
 Certificate Filed in New York County
 Commission Expires October 19, 2010

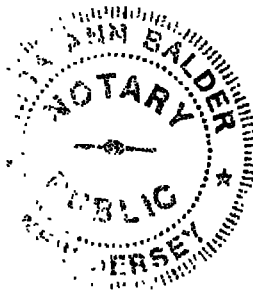
STATE OF New Jersey)
)
) SS:
)
 COUNTY OF Mercer)

On March 20, 2007, before me, Lisa A. Balder Notary Public, personally appeared Karla T. Howell, personally known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Lisa A. Balder

My commission Expires:
11/23/2009



**EXHIBIT A
MEMORANDUM OF NET RAILCAR LEASE**

| <u>Quantity</u> | <u>Car Description</u> | <u>Reporting Marks and Numbers</u> |
|---------------------------------------|--|---|
| Two Hundred Seventy Eight (278) | 4520 CF Aluminum BethGon railcars, 286,000 lbs. GRL; AAR Car Type Code J311, built by Johnstown America in 2002 | Current Reporting Mark and Numbers: PSTX 5001 - 5030 PSTX 8001 - 8038 PSTX 8040 - 8121 PSTX 8123 - 8250 Replacement Reporting Mark and Numbers: NRGX 1000 - 1277 |

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

6/11/07



Robert W. Alvord